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SIPDIS

DEPARTMENT FOR WHA/CEN (KRAAIMOORE)

E.O. 12958: N/A
TAGS: EAID PGOV PREL NU AU
SUBJECT: AUSTRIAN POSITION ON ASSISTANCE TO NICARAGUA
FOLLOWING FRAUDULENT ELECTIONS

REF: STATE 132044

¶1. Polchief discussed reftel points December 23 with Andreas
Melan, MFA Unit Chief for Latin America and the Caribbean.
Melan agreed that the Nicaraguan elections had fallen far
short of international standards. He said EU states have
agreed to re-orient aid, both EU and bilateral, for Nicaragua
in light of the elections. EU members have decided to
suspend all budgetary support for the Nicaraguan Government.
They have also agreed to review aid programs and, so far as
practicable, shift away from projects with government
institutions in favor of NGOs, he said.

¶2. Melan averred that the new approach will have little
immediate impact on Austrian aid programs for Nicaragua. The
GOA had never provided budgetary support to the GON. Most
GOA aid programs are implemented through NGOs; less than a
quarter involve government institutions as partners. Melan
said GOA officials in Nicaragua monitor the programs to
ensure that funds are not diverted. Cooperation with local
GON partners has been good, and the GOA will continue those
programs as long as that remains true, he said. Polchief
emphasized the importance of pressuring the GON to undertake
electoral reform. The fraudulent elections had tainted GON
institutions, which should now be treated differently from
NGOs, he argued. Melan replied that most aid programs
worldwide are implemented in countries with flawed political
systems. He argued that a suspension of all programs
involving GON institutions would do more harm than good.
GIRARD-DICARLO